

BLUE CROSS OF NORTHEAST OHIO
FINANCIAL AND STATISTICAL STATEMENTS
DECEMBER, 1962

BOARDS

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EXHIBIT A

ASSETS

PERIOD: 1964

CASH

United States Commercial Bank.....
Savings Deposits at Interest.....
On Hand.....

INVESTMENTS

United States Government Securities.....
Public Utility & Commercial Securities.....

ACCUMULATED INTEREST

ACCOUNTS RECEIVABLE

Group Insurance.....
Medical Mutual of Cleveland.....
Ohio Medical Insurance, Inc.....
Advances for Other Services.....
Inter-Plan Service Fund.....
Treasury Premiums - Highway Insurance.....

TOTAL LIMITED ASSETS

MEMORANDUM ACCOUNT - NON-LIMITED ASSET:

Air Travel Expense.....

EXHIBIT A

ASSETS
December 31, 1962

CASH

Deposits in Commercial Accounts.....	\$ 4,261,236.67	
Savings Deposits at Interest.....	538,601.91	
On Hand.....	<u>650.00</u>	
		\$ 4,800,483.58

INVESTMENTS

United States Government Securities.....	15,866,278.76	
Public Utility & Industrial Securities.....	<u>271,528.50</u>	
		16,137,807.26

<u>ACCRUED INTEREST</u>		165,915.09
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ACCOUNTS RECEIVABLE

Group Subscribers.....	1,473,598.10	
Medical Mutual of Cleveland, Inc.....	77,576.95	
Ohio Medical Indemnity, Inc.....	20,818.24	
Advances for Other Service Plans.....	61,412.39	
Inter-Plan Service Benefit Bank.....	322,749.95	
Prepaid Premiums - Employees' Retirement Plan..	<u>47,770.17</u>	
		<u>2,003,925.80</u>

<u>TOTAL ADMITTED ASSETS</u>		<u>\$23,108,136.73</u>
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MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	<u>\$ 425.00</u>	
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EXHIBIT B

LIABILITIES AND RESERVES

December 31, 1962

UNEARNED INCOME (LEGAL RESERVE)..... \$ 5,466,725.66

DUE HOSPITALS FOR ACCRUED BILLINGS, INCOMPLETE,
UNDISCHARGED AND UNREPORTED CASES..... 9,729,341.22

DUE HOSPITALS FOR ADJUSTED PAYMENTS

Payments (or Refunds) required to adjust
tentative payments to audited rates:

First Half, 1962 (Preliminary)..... (A) \$2,301,040.17

Last Half, 1962 (Preliminary)..... (A) 2,990,000.00

Total due Hospitals..... 5,291,040.17

Less: Contingent Liability for Payment to
be made only out of future earnings. (B) 1,157,636.56

Balance Currently Payable to Hospitals..... 4,133,403.61

ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES

General Accounts Payable..... 71,396.79

Deposit for F.E.P. Claims..... 50,000.00

Unclaimed Checks..... 38,047.53

Medical Mutual of Cleveland, Inc..... 19,408.94

Ohio Medical Indemnity, Inc..... 2,798.29

U.S. Taxes Withheld from Employees..... 20,228.49

Deposited for Purchase of U.S. Savings Bonds 1,276.65

Federal and State Social Security Taxes..... 12,638.36

Accrued Employees' Compensation..... 36,108.73

Reserve for Employees' Retirement Plan..... 15,000.00

266,903.78

RESERVE FOR CONTINGENCIES..... (C) 3,511,762.46

TOTAL LIABILITIES AND RESERVE..... \$23,108,136.73

Total Persons Protected..... 1,742,035

Contingencies Reserve Per Capita..... \$2.02

Contingencies Reserve in Months of
Hospital and Administrative Expense..... .46

(A) Current Hospital Billings are paid at tentative rates, and Adjusted Payments (or Credits) as shown above at (A) are due at the close of each six-month period to adjust these tentative payments to hospital audited costs of service rendered to Subscribers.

(B) The Inter-Hospital Agency Contract provides that no payments may be made to Hospitals which will reduce the Contingencies Reserve to less than one-half the preceding month's income. Compliance with this provision requires that a part, shown above at (B), of the total sum due Hospitals, be recorded as a Contingent Liability, payable only out of future earnings.

(C) At minimum level required by the Inter-Hospital Agency Contract.

EXHIBIT B

LIABILITIES AND RESERVE

December 31, 1962

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EXHIBIT C

STATEMENT OF INCOME AND EXPENSE

December, 1962

	<u>DECEMBER</u>	<u>FIRST HALF</u>	<u>LAST HALF</u>	<u>YEAR TO DATE</u>
<u>INCOME</u>				
Earned Income from Subscribers.....	\$6,974,603.03	\$42,780,066.06	\$42,313,933.76	\$85,093,999.82
<u>EXPENSE</u>				
Administrative Expense.....	<u>215,425.31</u>	<u>986,686.49</u>	<u>1,014,955.61</u>	<u>2,001,642.10</u>
	6,759,177.72	41,793,379.57	41,298,978.15	83,092,357.72
<u>HOSPITAL SERVICES</u>				
Estimated Incurred Claims for Hospital				
Care at Tentative rates.....	6,740,000.00	40,863,665.62	41,659,000.00	82,522,665.62
Adjustment to Estimated Audited				
Hospital Rates.....	<u>504,300.00</u>	<u>2,301,040.17</u>	<u>2,990,000.00</u>	<u>5,291,040.17</u>
Total Hospital Costs.....	7,244,300.00	43,164,705.79	44,649,000.00	87,813,705.79
Less: Refunds covering Compensation				
Claims, etc.....	<u>7,509.96</u>	<u>98,915.22</u>	<u>83,153.22</u>	<u>182,068.44</u>
	7,236,790.04	43,065,790.57	44,565,846.78	87,631,637.35
<u>TO CONTINGENCIES RESERVE-FROM SUBSCRIBER</u>				
<u>INCOME</u>	<u>-477,612.32</u>	<u>-1,272,411.00</u>	<u>-3,266,868.63</u>	<u>-4,539,279.63</u>
<u>OTHER INCOME AND ADJUSTMENTS</u>				
Income from Investments.....	<u>59,009.58</u>	<u>352,653.06</u>	<u>331,119.22</u>	<u>683,772.28</u>
Alteration Expense.....	609.39	3,702.52	3,674.88	7,377.40
	<u>59,618.97</u>	<u>356,355.58</u>	<u>334,794.10</u>	<u>691,149.68</u>
	-417,993.35	-916,055.42	-2,932,074.53	-3,848,129.95
<u>ADJUSTMENT TO CONTINGENCIES RESERVE DUE TO</u>				
<u>DETERMINATION OF ACTUAL HOSPITAL SERVICES</u>				
<u>INCURRED, 1961</u>	<u>-0-</u>	<u>160,623.48</u>	<u>-0-</u>	<u>160,623.48</u>
	-417,993.35	-755,431.94	-2,932,074.53	-3,687,506.47
<u>CONTINGENT LIABILITY (TO BE PAID ONLY OUT</u>				
<u>OF FUTURE EARNINGS)</u>	<u>400,863.37</u>	<u>-0-</u>	<u>1,157,636.56</u>	<u>1,157,636.56</u>
<u>NET CHANGE IN CONTINGENCIES RESERVE (A).....</u>	<u>\$ -17,129.98</u>	<u>\$ -755,431.94</u>	<u>\$ -1,774,437.97</u>	<u>\$ -2,529,869.91</u>

(A) Provision to maintain Contingencies Reserve at minimum level required by Inter-Hospital Agency Contract.

(1) The total of all the contributions received in 1964, less the amount paid for the year 1964, shall be the net contribution for the year 1964.

CONTRIBUTOR'S NAME		DATE RECEIVED		AMOUNT RECEIVED		DATE PAID		AMOUNT PAID		BALANCE	
NAME	ADDRESS	DATE	AMOUNT	NAME	ADDRESS	DATE	AMOUNT	NAME	ADDRESS	DATE	AMOUNT
JOHN J. JONES	1234 Main St.	12/15/64	\$100.00	JOHN J. JONES	1234 Main St.	12/15/64	\$100.00	JOHN J. JONES	1234 Main St.	12/15/64	\$100.00
JANE D. SMITH	5678 Elm St.	12/15/64	\$50.00	JANE D. SMITH	5678 Elm St.	12/15/64	\$50.00	JANE D. SMITH	5678 Elm St.	12/15/64	\$50.00
WILLIAM E. BROWN	9010 Oak St.	12/15/64	\$75.00	WILLIAM E. BROWN	9010 Oak St.	12/15/64	\$75.00	WILLIAM E. BROWN	9010 Oak St.	12/15/64	\$75.00
MARY K. WHITE	2345 Pine St.	12/15/64	\$25.00	MARY K. WHITE	2345 Pine St.	12/15/64	\$25.00	MARY K. WHITE	2345 Pine St.	12/15/64	\$25.00
ROBERT L. GREEN	6789 Cedar St.	12/15/64	\$150.00	ROBERT L. GREEN	6789 Cedar St.	12/15/64	\$150.00	ROBERT L. GREEN	6789 Cedar St.	12/15/64	\$150.00
CHARLES F. BLACK	1122 Birch St.	12/15/64	\$30.00	CHARLES F. BLACK	1122 Birch St.	12/15/64	\$30.00	CHARLES F. BLACK	1122 Birch St.	12/15/64	\$30.00
HELEN G. GRAY	3456 Spruce St.	12/15/64	\$40.00	HELEN G. GRAY	3456 Spruce St.	12/15/64	\$40.00	HELEN G. GRAY	3456 Spruce St.	12/15/64	\$40.00
EDWARD H. HARRIS	7890 Willow St.	12/15/64	\$60.00	EDWARD H. HARRIS	7890 Willow St.	12/15/64	\$60.00	EDWARD H. HARRIS	7890 Willow St.	12/15/64	\$60.00
FRANK J. KING	10110 Ash St.	12/15/64	\$80.00	FRANK J. KING	10110 Ash St.	12/15/64	\$80.00	FRANK J. KING	10110 Ash St.	12/15/64	\$80.00
LOUISE M. LYNN	2233 Hickory St.	12/15/64	\$10.00	LOUISE M. LYNN	2233 Hickory St.	12/15/64	\$10.00	LOUISE M. LYNN	2233 Hickory St.	12/15/64	\$10.00
GEORGE N. MITCHELL	4567 Magnolia St.	12/15/64	\$90.00	GEORGE N. MITCHELL	4567 Magnolia St.	12/15/64	\$90.00	GEORGE N. MITCHELL	4567 Magnolia St.	12/15/64	\$90.00
BARBARA P. NELSON	8901 Poplar St.	12/15/64	\$20.00	BARBARA P. NELSON	8901 Poplar St.	12/15/64	\$20.00	BARBARA P. NELSON	8901 Poplar St.	12/15/64	\$20.00
ALFRED Q. OLSON	12345 Redwood St.	12/15/64	\$110.00	ALFRED Q. OLSON	12345 Redwood St.	12/15/64	\$110.00	ALFRED Q. OLSON	12345 Redwood St.	12/15/64	\$110.00
JOAN R. PERKINS	6789 Sycamore St.	12/15/64	\$35.00	JOAN R. PERKINS	6789 Sycamore St.	12/15/64	\$35.00	JOAN R. PERKINS	6789 Sycamore St.	12/15/64	\$35.00
JOHN S. RICHARDS	10110 Tulip St.	12/15/64	\$70.00	JOHN S. RICHARDS	10110 Tulip St.	12/15/64	\$70.00	JOHN S. RICHARDS	10110 Tulip St.	12/15/64	\$70.00
MICHAEL T. ROSS	2345 Vine St.	12/15/64	\$15.00	MICHAEL T. ROSS	2345 Vine St.	12/15/64	\$15.00	MICHAEL T. ROSS	2345 Vine St.	12/15/64	\$15.00
WILLIAM V. STEVENSON	4567 Walnut St.	12/15/64	\$55.00	WILLIAM V. STEVENSON	4567 Walnut St.	12/15/64	\$55.00	WILLIAM V. STEVENSON	4567 Walnut St.	12/15/64	\$55.00
JOHN W. THOMPSON	8901 Yew St.	12/15/64	\$45.00	JOHN W. THOMPSON	8901 Yew St.	12/15/64	\$45.00	JOHN W. THOMPSON	8901 Yew St.	12/15/64	\$45.00
JOHN Y. TOLSON	12345 Zebra St.	12/15/64	\$65.00	JOHN Y. TOLSON	12345 Zebra St.	12/15/64	\$65.00	JOHN Y. TOLSON	12345 Zebra St.	12/15/64	\$65.00
JOHN Z. TOLSON	6789 Zebra St.	12/15/64	\$25.00	JOHN Z. TOLSON	6789 Zebra St.	12/15/64	\$25.00	JOHN Z. TOLSON	6789 Zebra St.	12/15/64	\$25.00

RECEIVED
 JAN 1 1965
 AMOUNT \$1,000.00

EXHIBIT D

ADMINISTRATIVE EXPENSE

December, 1962

<u>EXPENSE</u>	<u>FOR THE MONTH</u>		<u>CUMULATIVE</u>	
	<u>1962</u>	<u>1961</u>	<u>1962</u>	<u>1961</u>
Salaries - General.....	\$124,051.76	\$116,493.34	\$1,517,987.20	\$1,495,075.61
Salaries - Branch Office.....	5,064.21	4,886.51	62,940.93	60,499.67
Travel.....	828.96	893.34	8,914.80	11,910.26
Automobile Expense.....	2,158.92	2,590.83	28,500.59	30,190.33
Rent and Light.....	17,755.70	17,506.19	211,557.84	208,581.89
Association Dues.....	2,918.00	2,929.00	42,927.50	42,835.00
Legal Expense.....	10,439.08	25.00	42,659.02	17,136.85
Furniture and Equipment.....	1,299.14	6,022.30	28,243.28	34,385.75
Equipment Rental.....	14,450.51	11,985.81	161,278.33	144,794.22
Printing, Stationery & Supplies..	52,204.89	13,694.62	243,553.95	193,496.88
Books and Periodicals.....	255.72	427.79	2,339.44	2,813.71
Postage and Express.....	17,173.83	7,917.15	94,323.58	83,914.60
Telephone and Telegraph.....	6,130.51	6,043.82	77,978.08	75,306.89
Collection (Bank Charges).....	2,089.64	1,988.60	25,476.14	25,915.32
Advertising.....	7,958.78	2,410.78	94,272.94	64,452.39
Insurance - General.....	-0-	5.86	3,732.98	15,007.84
Employee Welfare.....	13,732.50	15,245.08	189,659.05	182,060.97
Auditing & Actuarial Services....	848.26	750.00	11,117.02	9,500.00
Auditing - Hospitals.....	7,933.24	10,962.15	100,066.79	99,600.33
Mailing Services.....	21,948.69	1,448.07	33,014.96	12,612.55
Service Charges-Inter-Plan Bank..	4,050.00	3,795.00	48,654.00	45,631.19
Special Contract Expense.....	216.99	312.61	3,532.22	2,468.81
Miscellaneous.....	2,894.14	5,189.56	103,217.35	76,843.41
Citizens' Committee Study.....	-15.00	-0-	2,122.41	1,924.05
Hospital Facilities Survey.....	-0-	30,000.00	15,167.08	30,000.00
	<u>\$316,388.47</u>	<u>\$263,523.41</u>	<u>\$3,153,237.48</u>	<u>\$2,966,958.52</u>
Less: Service Charges:				
Medical Mutual of Cleve., Inc....	77,576.95	67,615.48	892,179.42	825,572.26
Ohio Medical Indemnity, Inc.....	18,534.61	15,659.79	213,977.67	189,807.91
Inter-Plan Bank.....	2,814.00	2,319.00	29,364.00	27,450.00
Medicare Program.....	537.60	222.83	5,859.96	4,488.07
Federal Employees' Program.....	1,500.00	834.00	10,214.33	29,060.18
	<u>\$100,963.16</u>	<u>\$ 86,651.10</u>	<u>\$1,151,595.38</u>	<u>\$1,076,378.42</u>
	<u>\$215,425.31</u>	<u>\$176,872.31</u>	<u>\$2,001,642.10</u>	<u>\$1,890,580.10</u>
Percentage of Expense to Income.....	3.09	2.50	2.35	2.29

EXHIBIT A
ADMINISTRATIVE EXPENSES
January 1952

ITEM	FOR THE MONTH		CUMULATIVE	
	1952	1951	1952	1951
Salaries - General	21,400.75	21,400.75	21,400.75	21,400.75
Salaries - Branch Office	1,000.00	1,000.00	1,000.00	1,000.00
Travel	1,000.00	1,000.00	1,000.00	1,000.00
Telephone	1,000.00	1,000.00	1,000.00	1,000.00
Postage and Freight	1,000.00	1,000.00	1,000.00	1,000.00
Insurance	1,000.00	1,000.00	1,000.00	1,000.00
Legal	1,000.00	1,000.00	1,000.00	1,000.00
Printing and Stationery	1,000.00	1,000.00	1,000.00	1,000.00
Repairs and Maintenance	1,000.00	1,000.00	1,000.00	1,000.00
Supplies	1,000.00	1,000.00	1,000.00	1,000.00
Utilities	1,000.00	1,000.00	1,000.00	1,000.00
Depreciation	1,000.00	1,000.00	1,000.00	1,000.00
Advertising	1,000.00	1,000.00	1,000.00	1,000.00
Research and Development	1,000.00	1,000.00	1,000.00	1,000.00
Contract Labor	1,000.00	1,000.00	1,000.00	1,000.00
Professional Fees	1,000.00	1,000.00	1,000.00	1,000.00
Interest	1,000.00	1,000.00	1,000.00	1,000.00
Dividends	1,000.00	1,000.00	1,000.00	1,000.00
Income Tax	1,000.00	1,000.00	1,000.00	1,000.00
Gifts	1,000.00	1,000.00	1,000.00	1,000.00
Entertainment	1,000.00	1,000.00	1,000.00	1,000.00
Charitable Contributions	1,000.00	1,000.00	1,000.00	1,000.00
Other	1,000.00	1,000.00	1,000.00	1,000.00
Total	100,000.00	100,000.00	100,000.00	100,000.00



